

FAFSA Simplification Fact Sheet

Montana Association of Financial
Aid Administrators

FAFSA and Student Aid Index (SAI)
Overview

WHAT IS THE FAFSA SIMPLIFICATION ACT?

- a more streamlined application process,
- expanded eligibility for federal financial aid,
- reduced barriers for certain student populations, and
- a better user experience for the FAFSA form.

KEY INFORMATION AND TALKING POINTS:

2024-2025
FAFSA NOT
AVAILABLE
UNTIL
DECEMBER
2023

STUDENT AID
INDEX (SAI)
IS REPLACING
EFC IN THE
FORMULA

FORMULA
CHANGE SHOULD
MEAN MORE
PELL FOR SOME
STUDENTS

FSA ID
REQUIRED FOR
STUDENT AND
CONTRIBUTORS
(PARENTS)



Cost of Attendance (COA)



Student Aid Index (SAI)



Financial Need

Benefits and what's next



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BENEFITS TO STUDENTS, FAMILIES AND BORROWERS

Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI)

- Students and families will see a different measure of their ability to pay for college and will also experience a change in the methodology used to determine aid.
- The new formula removes the number of family members in college from the calculation and allows a minimum SAI of negative \$1,500 to give financial aid administrators more insight when making determinations for students with especially challenging situations.
- The FAFSA Simplification Act expands the Federal Pell Grant to more students and links eligibility to family size and the federal poverty level.

WHAT'S NEXT IN PREPARATION

- ✓ Be alert to communications from Federal Student Aid, your colleges and high schools.
- ✓ All students will need to complete a new FAFSA for 2024-2025.
- ✓ Enhanced security results in new roles for students and parents or spouses. Each are contributors and must provide consent.
- ✓ Get your FSA ID NOW, before the application opens! (students and parents)
- ✓ Federal tax filers will be required to use the enhanced data exchange with the IRS.
- ✓ Be patient, we are here to help. Change produces different challenges. Ask for help.



Have a question, reach out to your local college financial aid office. We are here to help and alert to current updates.